HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Canadian Heritage

CHPC • NUMBER 119 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Thursday, September 20, 2018

Chair

Ms. Julie Dabrusin

Standing Committee on Canadian Heritage

Thursday, September 20, 2018

● (1105)

[*Translation*]

The Chair (Ms. Julie Dabrusin (Toronto—Danforth, Lib.)): We will begin the 119th meeting of the Standing Committee on Canadian Heritage.

Today, we are continuing our study on remuneration models for artists and creative industries.

[*English*]

We have with us today Miranda Mulholland, and by video conference we have Guillaume Déziel and David Bussières.

Welcome.

[*Translation*]

Mr. Déziel, can you raise your hand so that we know which one of you we are addressing?

Thank you.

We will start by listening to the witnesses who are with us by videoconference.

Mr. Déziel, you may start.

Mr. Guillaume Déziel (Digital Culture Strategist, As an Individual): Thank you, Madam Chair.

Out of respect for everyone, I will use a timer so that I don't go over the time I have.

Good morning. My name is Guillaume Déziel. I must say that I am not a lobbyist. If I were one, I would be a lobbyist for culture.

Today, I was invited to present some parameters related to remuneration issues in the digital era.

I will start by explaining what Creative Commons licences are. I will then talk about how those licences can be used and integrated into a subsidy mechanism for culture. In closing, I will make a suggestion to involve Internet service providers in the monetization of our culture.

The term of copyright varies from 50 to 70 years, depending on the country. After that period, the works are added to the public domain. In the digital age, the public domain is a virtual place where the use of works is no longer restricted by law.

Creative Commons licences allow creators to voluntarily divest themselves of some of their rights during their lifetime. It is important to note that, in the case of copyright, we are talking about "all rights reserved", while in the case of Creative Commons licences, some rights are reserved.

Creative Commons licences are in line with the online reality, this ecosystem where copying is synonymous with sharing. This is what has changed a lot since the invention of the Gutenberg printing press, where copying was not necessarily associated with the notion of sharing.

All Creative Commons licences allow sharing, in all instances. Some of them also allow adaptation or remixing. They allow some creators to create new works from existing works. They promote the flow of culture, which is perfectly in line with the new digital reality.

Finally, Creative Commons licences allow authors, if they so wish, to retain the exclusivity of the commercial exploitation of the uses of their works or cultural products. To create a Creative Commons licence, an online tool similar to a digital lawyer can be used. After answering four simple questions, you can choose the licence of your choice. The tool can be found at creativecommons.org/choose.

I would now like to talk about the idea of providing grants according to the licence. In order to stimulate the adoption and use of Creative Commons licences by creators and producers, we could think about providing creation grants and production support subsidies, depending on the licence issued for making the cultural product available. I could use the word "product", although creators will not like it very much. So let's call it a "cultural product".

A permissive licence, such as a Creative Commons licence that allows, during the creator's or producer's lifetime, the work to be adapted, remixed or shared for commercial or non-commercial purposes, would allow the work to receive greater financial support, as authors would contribute more during their lifetime to the vitality of culture and the health of the public domain.

On the other hand, a restrictive licence, or "all rights reserved" licence, would result in a lower grant, because creators would voluntarily limit the circulation of their works to control monetization and choose the channels through which the works would be exploited.

It is therefore possible to consider different levels of grants depending on different types of licences. The document I have sent you contains a table that may give you some ideas.

At the end of my presentation, I will make a recommendation on that.

Finally, to link all this to monetization, I invite you to look at the different combinations of licences, which range from the most restrictive to the most permissive. These are all the "*Fifty Shades of Grey*" of copyright. Copyright is not all black or white. In this case, Creative Commons licences allow authors, composers, creators and producers to determine how to use works freely from now on.

I would like to conclude by talking about a social contract to be established between the public, that is, amateurs and consumers of culture—once again, I use the word "consumers" with great caution —Internet service providers and creators, in order to be in line with the very nature of the web that I mentioned earlier.

As an aside, let me say that the web was invented to copy information and save it in order to fight nuclear attacks. This is the ecosystem in which we live.

In fact, the web is an ecosystem where sharing is its very essence. All Creative Commons licences allow the sharing of works associated with them, given that the web is an ecosystem that makes this possible. Such sharing is clearly an advantage for the community, which has an immediate right of access to culture, which can be enhanced without necessarily going through a transactional level, in some cases.

It is good to give the community an advantage, but the community now consumes culture through Internet service providers. This is then implicitly an advantage for Internet service providers. They earn their living by transporting the culture from point A to point B in our community. Now, the complete or partial provision of a work's rights allows the community to access its culture freely, well before the time a work becomes part of or is added to the public domain. A benefit like that, for the community, is also a benefit for Internet service providers, who invariably monetize our cultural consumption.

As a result of grants and subsidies, taxpayers' money contributes to creating culture. Support for cultural creation by the public should be matched by requirements, such as guaranteeing the community—the public—better access to its own culture, greater malleability of that culture and the possibility of sharing that culture without breaking copyright. In its current form, the copyright is very restrictive. Such monetization of the non-commercial uses of our culture could be encouraged by Internet service providers.

In this case, we could imagine consumers contributing to the sharing of culture on a voluntary basis by adding one dollar to their monthly Internet bill. The Internet service provider could do the same by adding another dollar. This would break the age-old logic that Canadians do not want an additional tax. Those who wish to encourage culture could do so voluntarily, and political parties that are constantly grappling with this sensitive issue could off-load it.

Finally, my first recommendation to Canadian Heritage is that the department recognize the existence of Creative Commons licences as a positive contribution to our cultural vitality and, furthermore, that it ensure that the legislation governing those licences, which can be consulted at the Internet address provided earlier, is in compliance with the Canadian Copyright Act.

Second, we recommend that, in the short term, the department develop subsidy programs for works and productions that are subject to a Creative Commons licence. In the medium term, we recommend that it encourage those licences by increasing grants for works subject to a Creative Commons licence and decreasing grants for works and productions that are "all rights reserved".

We believe that people who have received government money to create a work can, of course, keep all the related rights, but they also have a responsibility to monetize them. If they don't, they would not be able to participate in the social contract of our third recommendation.

The social contract seeks to cover all non-commercial uses promoted by Creative Commons licences. Those uses could be covered by collective compensation in subsidy programs and by copyright collectives, which would take advantage of the much-touted dollar voluntarily agreed to by the consumer and matched by the dollar from the Internet service provider.

As you will see, this is all similar to the good old Canada Media Fund.

Thank you.

● (1110)

The Chair: Okay, thank you.

We will now go to Mr. Bussières.

Mr. David Bussières (Founder and Spokesperson, Regroupement des artisans de la musique): Honourable committee members, good morning.

My name is David Bussières. I am a singer-songwriter and member of the Alfa Rococo duo. I am also the founder and spokesperson of the Regroupement des artisans de la musique (RAM).

I would like to begin my speech with a fairly real and striking example of the inequity in the way creators and all stakeholders in the music industry in Canada and Quebec are remunerated in the context of the new way in which music is consumed, through streaming.

To answer the infamous and, shall we say, opaque question "how much is streaming worth?", two years ago, I carried out a rigorous analysis of all the reports on my copyright and related rights royalties, as well as my artistic royalties for a given song, over a given period. I have identified all amounts received from SOCAN for copyright as a composer and from my record company. There was nothing to collect from SODRAC or SOPROQ, and I did not have performer's rights.

In the end, for the given period and for the song *Lumière*, which actually became quite popular, we received $10.80 for 30,000 plays on Spotify, or 0.036¢ per play. For 60,000 views on YouTube, we received $153.04, or 0.5¢ per play. I compared it to traditional commercial radio, where the song had reached fifth place on the charts after about 6,000 spins: we received $17,346.89, or about $2.89 per spin.

If there is a complete collapse of physical and digital record sales —which is happening—and music radio is eventually replaced by online music, copyright royalties for streaming would be really far from making up the current shortfall. Streaming is a perfect system for users. Who doesn't dream of having the world's record collection at their fingertips? However, the situation is quite different for our artists and our industry.

For an international star supported by a major music company that generates a billion or more plays per song, everything is still going well. But this is a very small minority of cases. In terms of local music being broadcast in Canada and French-language music being broadcast in Quebec—the latter example being even clearer—and knowing that people here love and listen to our local music but that even our biggest hits are struggling to generate a million streaming plays because of the modest size of our market, the situation is catastrophic. Streaming does not generate enough money for creators to make a living. In fact, it kills the middle class of creators, where a certain musical and artistic diversity is often to be found.

The reform of the Copyright Act is a matter of life and death for our artists. It should also be accompanied by a reform of the Telecommunications Act and an overhaul of the private copying system so that Internet service providers and device manufacturers are required to contribute to the remuneration of Canadian creators.

The Internet service providers are in fact the big winners when it comes to streaming music. To stream videos or music, we need them. On that front, major players offer packages in which streaming music, film or video leads to exceeding the amount of data allowed. They then charge significant overage fees, so consumers decide to increase their mobile data or home downloads package. In short, the Internet service provider captures the value.

Then comes the device manufacturer, which is also an essential link in the chain of access to music and audiovisual content. People want access to content anywhere, anytime of the day and on multiple devices: phones, tablets, computers, and so on. How much of the use of those devices is devoted to cultural content? It would be very interesting to do studies to find out.

Finally, the distribution channel takes its cut, while minimizing its risk. Consumers are told that it doesn't cost much to listen to the work, just $9.99 a month or even free. However, access to the distribution network is costly. In the end, customers still pay for the free or low-cost online content; they have just transferred some of the money they used to give to the record store or video store, money that used to make its way to the artists more easily.

● (1115)

That client has transferred that money to the Internet service provider and the device manufacturer.

Basically, how much do Canadians pay for access to streaming music?

On average, subscriptions to the platforms cost $9.99 per month. They are sometimes free. But a monthly subscription to a home Internet service costs at least $60, not counting overages and extras. Mobile phone access to the Internet costs at least $30, and the cost of the device itself varies depending on the plan and the device's quality. It is all very expensive. Not counting the devices, you can bank on $100 per month for access to streamed music or video.

From all that money, only a tiny part of the $9.99 subscription to the distribution platform goes to the creator, after going through all those middlemen. It comes to three cents per play, as I mentioned earlier.

In one of the focus statements of RAM's platform, three points sum up our position on the matter.

Point 7 asks for Internet service providers, ISPs, to be made responsible for paying royalties to the rights holders of the music to which they give access. We propose the elimination of paragraph 2.4 (1)(b) of the Copyright Act that deals with ISPs and frees them from the requirement to pay royalties if all they do is provide access. The paragraph is worded as follows:

> (b) a person whose only act in respect of the communication of a work or other subject-matter to the public consists of providing the means of telecommunication necessary for another person to so communicate the work or other subject-matter does not communicate that work or other subject-matter to the public;

By eliminating this provision, it will be possible for the Copyright Board to impose a tariff on ISPs.

Point 8 asks for ISPs to contribute financially to the development of Canadian music. We propose that lawmakers amend the Telecommunications Act and the Broadcasting Act to enable ISPs to be obligated to develop and promote Canadian music and the visibility thereof. This is the good old notion of discoverability.

Point 9 asks for the private copying system to be extended to all digital media used to copy music. We propose that the government amend the Copyright Act so that it applies to all digital media, and to restrict the exemptions that allow private copying by users.

In conclusion, it can be said that artists unfortunately are the last ones in line, whereas their works form the very basis of an entire industry. It is wrong to say that there is no money in music. Actually, people have never paid as much to listen to music as they do today. It is just that the money goes to the wrong place. It is scooped up by companies before it gets to the creators.

Before the smallest fraction of a cent gets to the creators, the device manufacturers and Internet service providers will have made large profits, the streaming platforms will have paid their employees and seen their businesses flourish. The digital distributors will take their share before turning the remainder over to the record companies, which often benefit from subsidies, and which will also take a cut before giving the remaining scraps to the creators, the artists.

I believe that if you stopped people who consume music in the street and explained all this to them in detail, they would likely be outraged to learn that little or none of their money goes to the artists who created the works that thrill them.

It is not true that culture is only entertainment, only a business. Culture forms the soul of our society. If we neglect our creators, that soul will die, a sacrifice on the altar of globalization.

Thank you.

● (1120)

The Chair: You both have a lot of matters you could discuss.

Let us continue…

[*English*]

We have with us Miranda Mulholland.

Before we begin, we do have a biography that Ms. Mulholland has provided to us. It is only in English. It can be translated, but I was wondering if, for the purposes of right now, I have unanimous consent to circulate this even though it's only in English.

An hon. member: Agreed.

The Chair: We'll just circulate the biography. We're also waiting to share some of the information. There was a reference document that was referred to us by Mr. Bussières. I apologize that we didn't have that circulated to us. That will be coming. It's being photocopied.

We can begin right now, Ms. Mulholland. Thank you for coming.

Ms. Miranda Mulholland (Artist entrepreneur, As an Individual): Good afternoon. My name is Miranda Mulholland, and I'm very happy to be here today.

I'm a professional musician, a record label owner and a music festival founder, and most recently, I've become an artist advocate.

I started my career in 1999, just as the digital revolution started to change everything about how music was consumed and how artists were remunerated. Now you may not recognize me, but I guarantee that you have all heard me play. Over the last 19 years, I have played or sung on hundreds of recorded songs on over 50 records, including many Juno award-nominated or Juno-winning albums. I've done film and television work. You can hear my fiddle playing on every episode of *Republic of Doyle* and in the film *Maudie*, and on the "Good things grow in Ontario" jingle.

I'm currently in my band Harrow Fair. I was in a band called Great Lakes Swimmers, which you might have heard of. I have performed with Blue Rodeo's Jim Cuddy, Alan Doyle, Rose Cousins, and Joel Plaskett, and the list goes on. I own Roaring Girl Records, which is a boutique record label, and I founded the Sawdust City Music Festival in Gravenhurst, Ontario.

Creators are storytellers, and I'm going to tell you a story with a beginning and a middle and an ending that I hope we will write together.

Here's the beginning.

In my first year of university in 1999, a cute boy called me on my home phone and asked me if I could play Celtic fiddle. I could not. I had been studying classical violin since age four but I had no idea about fiddle tunes. But I told him I could and I went to Carden Street Music in Guelph and I bought a Natalie MacMaster CD for $15.99, and I learned every tune on that record.

From there, I went on to a career in music based on my fiddle playing and my life changed, but then everything changed. By now, I know you've heard about the value gap. It's the significant disparity between the value of creative content that's accessed and enjoyed by consumers, and the revenues that are returned to the people and the businesses who create it. What this means to me is that others are commercializing my music and that of my fellow creators but not compensating us fairly.

The biggest reason for this is that the laws in place today reflect a time of home phones, of scrunchies, and of buying a CD at a music store instead of today's world of streaming. Today, music is everywhere. Consumption has never been higher. I can play you every song ever recorded on my cellphone and yet remuneration to artists has not kept up, as David so aptly pointed out.

Our functioning marketplace has been destroyed and creators have been asked to adapt to the new landscape but with no help from the legal framework that's meant to support us. I've lived this first-hand. As I worked harder and harder, playing on more and more records, and more and more tours, I noticed that my success as a musician was getting harder to measure financially. I started to realize that times have changed so quickly and so drastically that the hopes of belonging to the middle class, even as a successful artist, were disappearing.

In a time when artists feel so much pressure to exhibit shiny, glossy lives on social media, I started speaking out about some real truths about our industry, about transparency, and just who the government and copyright laws are protecting. As soon as I did, my creator colleagues like David reached out, spoke up, and confirmed that this was felt across the board and at every level of the music ecosystem. Our community is in a crisis and something needs to be done urgently.

I know you've heard this before. When Andrew Morrison, who is in the Juno-nominated The Jerry Cans, testified at this very committee, the conversation turned to middle-class artists, and he said, "I want to be one of those". He lamented that royalty cheques that once paid for a down payment on a house can buy him a cup of coffee. Remember when I told you that I play with Jim Cuddy. I have been playing with Jim Cuddy and subbing in for his fiddle player, Anne Lindsay, since 2005. When I first moved to Toronto, I wanted to be the next Anne Lindsay. I followed in her footsteps. I played recording sessions like her. I made my own records like her, and then literally played her shows with Jim whenever she couldn't be there, and I still do. But Anne, who started a generation before me, owns a house. The musician middle class is gone. Even the ladder to get there is gone.

● (1125)

Now I've come to the middle of my story.

Artists like me, Andrew Morrison, and David Bussières, as well as industry leaders like Graham Henderson from Music Canada, representing the majors; SOCAN, representing songwriters; CIMA, representing the indies; and ACTRA, representing performers, agree the laws need to update to reflect the digital marketplace.

Here are four changes that would make a big difference in the lives of artists, and in my life, now.

Number one is the radio royalty exemption. It was a 1997 subsidy given to every commercial radio station in Canada, allowing them to only pay $100 of royalties on the first $1.25 million in advertising revenue, and it was meant to be temporary, 20 years ago. The landscape has changed significantly, and now most of these stations have been acquired by the big media companies, but the subsidies still apply. That means that all of your favourite Canadian artists are subsidizing Bell and Corus.

Here's another one. The definition of "sound recording" in the Copyright Act is currently worded in such a way that recorded music is not considered a sound recording when it's included in a soundtrack for TV and film. Here's how this affects me. Even though I played on every episode of CBC's *Republic of Doyle*, which is now syndicated worldwide—I've seen it on TV in Germany—I only received the one-time union rate I got per session, which is about $280. However, the composer of the songs collects residuals every time that show airs around the world. In 44 other countries around the world, they give artists the right to receive public performance royalties when their sound recordings are used as part of a soundtrack for TV and film. That's 44 other countries. I think we can catch up. Here's the kicker. The current definition of "sound recording" costs the music ecosystem approximately $45 million per year in lost royalties.

Another thing that would help immediately is the creation of a private copying fund. This fund would make sure that when artists' work is copied, artists are fairly compensated for it, without creating a new cost to consumers.

Last, the extension of the term of copyright has an impact on artists as creative entrepreneurs, giving artists the ability to leverage their success in order to create new opportunities. This is a legacy move. This ensures that my catalogue retains value for longer, providing something for my grandchildren.

How does this story end? I'm hoping that you'll help us write it.

Last week there was an historic vote in Europe, and the European Parliament took real, decisive action to address the value gap. They have not only agreed that it's a problem; they're now taking the legislative steps to begin to close it. Two days ago, the United States Senate unanimously adopted the Music Modernization Act, which also works to close the value gap.

Here in Canada, it's my hope that you'll work with artists like me who've come to this committee, come to your colleagues at the industry committee, and told you that the framework is broken and that we need our laws to update to our day-to-day lives. Artists have adapted and we need our laws to do the same.

I'd also like you to apply skepticism when those currently taking advantage of artists come here and tell you the system is fine and that artists are better off or that we just aren't working hard enough. They might do what they did in Europe and swamp your inboxes with technologically created auto-spam to give you the false sense that there are thousands of faceless voters determined to vote to protect the status quo, but if that happens, I hope that you'll remember this story, my story, and that we have over 3,700 real Canadian creators, including Alanis Morissette, The Sheepdogs, and Loreena McKennitt, who have signed on to focus on creators and to advocate for urgent changes in copyright law.

It's easy to look at Canada's musical superstars like Drake and Bieber and to think that they don't need this committee's help, but I'm here for the 99% of artists whose music is being listened to but who are struggling to earn a living, to feed their families, to pay taxes, and to keep creating Canadian music. For these creators, the value gap is real and we need you to fix it.

Thank you.

● (1130)

The Chair: Thank you very much to all of you for your presentations.

We are now going to begin our question and answer period.

[*Translation*]

We will start with Mr. Breton.

Mr. Pierre Breton (Shefford, Lib.): Thank you, Madam Chair.

Thank you for your superb presentations and your really exceptional testimony. Your remarks were really deeply felt. They clearly came from the heart. I would also say that you are excellent communicators. If anyone had any doubts or difficulties grasping the challenges you have to face, you certainly dispelled them. Your recommendations make a lot of sense and could be dealt with in short order, in my view.

Let me start with you, Mr. Bussières. Congratulations to both you and Ms. Mulholland on your careers.

Mr. Bussières, you talked about the whole area of streaming, and about the evolution of Youtube, the Internet, and so on.

Do you have any recommendations or positive examples for us in regard to recent regulations that may have changed things for artists in certain countries?

● (1135)

Mr. David Bussieres: I know that Australia has started taxing streaming companies, which eventually will put money back into the system. That debate is raging on in Canada at the moment.

As for the participation of Internet service providers, I unfortunately cannot give you specific examples. However, I believe that, in France, ISPs are required to make a greater contribution to culture. I cannot give you specific examples, but I will ask my colleagues about it. I will send you that information as soon as I can.

Mr. Pierre Breton: No problem.

Do you have a comment on that, Mr. Déziel?

Mr. Guillaume Déziel: I am in exactly the same situation. I have heard that steps have been taken in France. So you can look in that direction. However, I have no documents, no facts and figures, for you today.

Mr. David Bussieres: That said, I feel that we are witnessing a global movement, given that, at the same time, the music industry is changing all over the world. That change is happening very quickly. In my opinion, it is also an opportunity to be part of this kind of global U-turn in favour of better remuneration for artists.

Mr. Pierre Breton: Thank you.

Ms. Mulholland, in your brief, you told us about some recommendations.

Which of those recommendations would allow the government to make an immediate impact?

[*English*]

Ms. Miranda Mulholland: It could on all four of mine actually.

I noticed that David Bussières also mentioned three of my four. Each one would have immediate effect. The first one is about the radio royalty exemption and getting rid of that subsidy. Again there's subsidizing. Your artists are subsidizing the big media conglomerates. That needs to stop. If that ended, that money would be filtered through into the artists' pockets immediately.

It's the same with sound recording. For example, I just played with Alan Doyle on a new kids' show that he's writing the music for. It's not online yet, but if this was enacted and the sound recording wording was changed, as soon as that was actually played, I would get paid for my work. That would also help me immediately.

The other thing, on private copying, would help immediately as well. Having a term extension would help me be able to value my work for longer so I would be able to leverage that if I were talking to a publisher or a label about my catalogue.

All four would help me right now. They would help David Bussières as well. I noticed that three out of four of my asks are also on his list.

[*Translation*]

Mr. Pierre Breton: So you agree on that.

Once more, thank you very much for your presentations and your recommendations.

[*English*]

The Chair: Mr. Shields, go ahead, please.

Mr. Martin Shields (Bow River, CPC): Thank you, Madam Chair.

I really appreciate the presenters and witnesses today.

When you talk about the system being fine, I don't think we've heard anybody saying the system is fine, and my inbox is not full. We're hearing mostly those kinds of stories. We're not hearing the other side, which is great.

Ms. Miranda Mulholland: Good.

Mr. Martin Shields: I'm a little bit of an anomaly, though. I'm enjoying the Beethoven festival and being at the National Arts Centre this week, and I have not heard you anywhere, so I apologize for that.

Ms. Miranda Mulholland: That you know of.

● (1140)

Mr. Martin Shields: I would pretty well guarantee it. My playlist is from the sixties, and I don't listen to anything else other than classical, so—

Ms. Miranda Mulholland: Maybe in the mall you heard it or a jingle I played on.

Mr. Martin Shields: I don't go to a mall, sorry.

Voices: Oh, oh!

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): There's no chance.

Ms. Miranda Mulholland: Okay. All right.

Mr. Martin Shields: But I think you're passionate and I think you're great.

I understand fairness, I really do, and what we have is an industry that needs fairness and we need legislative change. That's what I would agree with, and it has changed drastically.

You went back to the first one. You said greater detail. Did you get an opportunity to get that greater detail out when you were saying, "I hope I have time". Did you get your opportunity to get the greater detail out? You were going in a very interesting direction.

The Chair: Who are you talking to?

Mr. Martin Shields: Sorry, the digital cultural strategist.

[*Translation*]

The Chair: Mr. Déziel?

[*English*]

Mr. Martin Shields: Right.

[*Translation*]

The Chair: Mr. Déziel, do you have any comments to add?

Mr. Guillaume Déziel: Yes.

We did not hear Mr. Shields' question. Could he ask it again?

[*English*]

Mr. Martin Shields: When you got started, you got into a bit, but you were talking about hoping to get into it in greater detail. I'm not sure I got the greater detail of where you were going.

[*Translation*]

Mr. Guillaume Déziel: Okay.

I will go over my three recommendations again.

The first is to recognize the existence of Creative Commons licences as a positive support for our cultural vitality and to make sure that the legal texts that deal with those licences are in compliance with Canadian law.

That said, creators must be compensated. To encourage our creators to get Creative Commons licences, because they benefit our culture, the grants have to be on a scale. This is about the community being more generous to creators, who are generous to the community with their rights. That is the second recommendation.

In this situation, there is more access to culture, and some types of Creative Commons licences allow use for commercial purposes. So we have to find a way to compensate creators who are even generous enough to provide the right to use their works commercially.

However, some types of licences do not allow use for commercial purposes. So what do we do to compensate the creators who demonstrate such great generosity? I feel that my two colleagues have said it this morning: we require Internet service providers to contribute to the culture, because they benefit from it in full measure by providing the transmission.

However, I would add one thing. Considering the political climate we are in—we all know that the tech sector lobbies are very strong—my third recommendation is to put in place a transitional measure as we wait for the new provisions to have the force of law. We know that reviewing legislation takes a long time. So we could have incentive programs under which Internet service providers could allow their end users to make a voluntary contribution to the culture they are consuming. That would not just by paying Spotify $9.99, but by adding a dollar to their Internet bill, an amount that the service provider would agree to match.

By doing so, we get a win-win situation whereby the consumers of culture and the Internet service providers contribute to the creation and regeneration of culture. Basically, we end up collecting revenue that can be redistributed in various ways. These could include general licences that can be negotiated between the Internet service providers and the various collective rights organizations, such as SOCAN, SOPROQ, SODRAC, Artisti, Ré:Sonne, and so on.

Those are my recommendations in a nutshell.

● (1145)

[*English*]

Mr. Martin Shields: This is the piece you've brought a different matrix to. We haven't seen an example of that. I think you brought a different side to this discussion than we've had from a few witnesses. You've supplemented what the witnesses have said, but you brought a different context to it. I think that matrix you've suggested as a possibility for the licence is something we haven't seen.

Have you had any reaction in the industry to this type of licensing and matrix?

[*Translation*]

Mr. Guillaume Déziel: These ideas come from consultations, or from a focus group called musiQCnuméri QC. This group began discussions in 2010, when Christine St-Pierre, who was Quebec's Minister of Culture, Communications and the Status of Women at the time, launched a major conversation on the future of culture and journalism in the digital age.

In that context, we reflected on all kinds of solutions. One of them was that the State should be much more generous and should increase grants and subsidies to creators, who are much more generous to the public domain. That was one of the solutions proposed by the focus group musiQCnuméri QC.

Those recommendations have been submitted. I am not a lobbyist and I do not knock on doors asking politicians to listen to me. The politicians invite me. But the same idea was submitted to the cabinet that Minister St-Pierre was part of and to the other cabinets that have followed.

It is one idea. Clearly, you have never heard of it.

My comments are ephemeral. My two colleagues in attendance are proposing to impose requirements on Internet service providers. That's fine by me. I am not opposed to Internet service providers contributing to the culture they carry.

However—and all my colleagues and the politicians around the table today can testify to this—in the days of the government preceding the Liberals, it was very difficult to hold Internet service providers responsible for the culture they were carrying. They were even relieved of responsibility by a copyright act that was reviewed by the Conservative government of the time. I am telling you this because you are a Conservative. I imagine you recall something along those lines.

In that context…

The Chair: I have to stop you because you have gone over the seven minutes you were given.

Go ahead, Mr. Nantel.

Mr. Pierre Nantel: Mr. Déziel, Mr. Bussières, Ms. Mulholland, thank you for being here.

Mr. Déziel, you are right to say that, in terms of Internet service providers, we are facing a huge roadblock. The Liberal government has the same kind of problem. Recommendation 12 of the report tabled by the Standing Committee on Canadian Heritage more than a year ago was swept out of the way by the Prime Minister, although it was just an update of the Cable Production Fund along the right lines, which was to distribute foreign signals. We told ourselves that it would be good to have local content and we asked ourselves how we could finance it. So we decided to set aside 5% of the revenue from cable distribution for local content.

It is very clear today that international content produced elsewhere is coming to us via the Internet.

[*English*]

Madam Mulholland, your flamboyant testimony this morning was crucial.

It's a very good thing that our chair has invited many artists to testify, and I think it's very important that we're reminded of your reality. You bring so much to the identity of the country. This is the heritage committee—we are not at industry committee—so it's our job to listen to you and to make sure you're protected. At the House, it may be different. At the House, we may want to protect consumers, because we're part of a party or whatever and we don't want to lose in the next election. However, here in this committee, our job is to protect and value the work of our artists and our culture.

[*Translation*]

Thank you very much for that.

Mr. Bussières, you are an artist who has taken the trouble—and that is rare indeed—to clearly document the revenue from your music sales by the various points of sale that consumers can use. That is why I am very pleased to get your table and your comparisons just now. It really speaks volumes. I am certainly going to ask you to give us more details about it, because I am not sure that the reality of it all is clear for everyone.

I am very pleased that we have been given the 29 recommendations in the action plan prepared by the Regroupement des artisans de la musique, or RAM. Ms. Mulholland is quite right. She mentioned raising the term of copyrighted works from 50 to 70 years, for artists as well as for producers and composers. She also raised three points that are also found in your ten. As it also available in English, I feel that it should be used as a kind of road map, indicating what must be done. The 10 or 11 points, plus Ms. Mulholland's point about the term going from 50 to 70 years, are very clear.

At the outset, you rightly specified that something has to be done about online music services, and about giving some responsibility to Internet service providers—which is self-evident—in terms of the private copying system and of fair compensation. Of course, CBC/Radio-Canada are always the champions, and we also expect them to be so in our system.

Let me invite you to provide us with explanations, in as concrete terms as you can, given that the concepts are always very complex. One of the subjects you brought up was the ownership of the master tracks. Two days ago, Bryan Adams came here to talk to us about them. Of course, it is pretty impressive to see people such as Ms. Mulholland, yourself, or, especially Mr. Adams. But the fact remains that money that would let you continue creating is being taken away from you. That is the reality.

So I invite you to take us through one of your two documents, the one with your 29 recommendations, or, even more importantly, where you deal with the income you are losing.

● (1150)

Mr. David Bussieres: If I may, I will start with this table.

Mr. Pierre Nantel: Yes.

Mr. David Bussières: During my presentation, I didn't specify certain things, because I didn't have the time. However, there is a kind of premise. Before I get to these figures, I want to explain to you that we own the full copyright on our songs. For this, we can take a look at the chart. Those who made the work, in other words those who wrote the lyrics and composed the music, have 50%. Justine Laberge, my colleague and spouse, and I have that 50%.

Mr. Pierre Nantel: I should point out that the percentage is initially only 50% because the producer takes 50%.

Mr. David Bussières: That's a maximum, yes. However, since we do the producing ourselves, we receive half of the 50% for production. Our share is 75%.

Mr. Guillaume Déziel: To both of you.

Mr. David Bussières: Indeed. And we're in a favourable situation, but the figures I mentioned don't really represent the situation of all artists. We do our own producing and write all our songs. As a result, we have a larger share of the pie. We are in a licensing structure. As I mentioned, we produce our own stuff. So we have the master tapes. Our label does the marketing, promoting, releasing and so on. In exchange, we rent our master tape to them for seven years. It's a contractual agreement.

Our contract stipulates that 60% of the streaming revenue comes back to us. In fact, the last page shows that the label keeps 60% of what the digital distributor gives it. I was going to say "for every hundred dollars", but it was more like "for every dollar". So for every dollar, the label keeps 60¢ and gives us back 40¢. It also receives the portion reserved for producing, the other 25%. We are talking about 25% for the production that goes to our label and 25% for the production that belongs to us, meaning that 50% of all copyright belongs to us. Our share of the pie is 75%.

Here, I have divided what we receive from management companies. SOCAN takes care of the songwriters, the ones who created the work. In this case, we receive 100% of the copyright on our songs. In the Spotify column, for streaming, we received 0.014¢. This is the copyright for the work.

● (1155)

Mr. Pierre Nantel: Since I have only a minute left—

The Chair: It's been seven minutes already.

Mr. Pierre Nantel: My time's up already? Fine.

The Chair: Mr. Bussières, I'll let you finish what you wanted to explain. You have 30 seconds. Go ahead.

Mr. David Bussières: I just wanted to wrap by saying that these figures are not only laughable, but that they are also the result of a favourable contractual situation and a favourable copyright situation because we self-produce, we write all of our songs, and we have a favourable contract with our label.

The Chair: Perfect, thank you.

We'll now go to Ms. Dhillon.

Ms. Anju Dhillon (Dorval—Lachine—LaSalle, Lib.): Good morning, and welcome to our witnesses.

I will share two minutes of my time with Mr. Boissonnault.

I'll start with some questions for Ms. Mulholland, but if you have anything to add, Mr. Déziel and Mr. Bussières, take the time to do so.

[*English*]

Ms. Mulholland, in many interviews you've done, I've noticed that you talk about the Copyright Act as not protecting creators and artists. What concrete changes would like to see to the Copyright Act so that we can have more fairness and money can be distributed from the distributors to the creators?

Ms. Miranda Mulholland: I'd love to go over the four points I mentioned, because that's exactly what they do.

Right now, I and all my creator colleagues are subsidizing billionaires, and the subsidies have to stop. That would be under the radio royalty exemption. I know there's a lot of talk about all the broadcasters and the ISPs, and them contributing because they're dumb pipes, but it was supposed to be temporary. It needs to be removed. That is one.

Regarding the definition of sound recording, again, we just want to get a functioning marketplace. This would contribute. This would enable some mailbox money for me so I don't need to be on the road all the time. At this moment, in order for me to make any money, or any kind of reasonable money, I have to either be on stage or in a studio, and that is not sustainable. There has to be some way to free up some of this money that used to be available and is no longer available because of the digital revolution.

The private copying fund is something else that would cover these contingencies, and then, term extension to make my catalogue more valuable.

Those are the four things that I suggested would change my life drastically and immediately.

Ms. Anju Dhillon: Okay.

You've mentioned that you signed up at the beginning and got only $280.

Mr. Adams was here about two days ago, and he testified that 40 years ago he signed a contract for a dollar. Has much changed since that time, or is it just the same?

Ms. Miranda Mulholland: It's night and day. From when he began his career and when I began my career, there has been a seismic shift.

I received the $280 to do one recording session for *Republic of Doyle*. I do one recording session. I go in there and I play my fiddle for three hours, doing a whole bunch of different "stings", as they're called, that are used over a series of episodes. Say I did five seasons of the same show, I'd have five sessions for $280 each session.

I don't know how much studio work Bryan did for Canadian television shows, but one of the things he said two days ago that really caught my ear was that he made two albums that didn't do well before he had a hit. We are in a climate now where artists are making records, and if they don't have a hit on their first record or first single, they're gone because we have been subsidizing billionaires and we need to stop that.

Ms. Anju Dhillon: If you calculated, how much money would you say you've lost with that $280 per session?

Ms. Miranda Mulholland: I'm not an economist, so I don't know how much I would get. However, if we look at the jingle I did, "Good things grow in Ontario"—which is not actually an easy little musical phrase—because it's not the same, because it's a jingle, an ad, and not under the same rules, I do get residuals for that. Having a cheque for, whatever, $300 here and there, show up in my mailbox does actually make a significant deal to me. That's groceries for a month. These things actually matter.

If that could be applied to the film and television work I do, such as the film *Maudie*, which went around the world, was presented at big film festivals and is now streamed on Netflix, that could make a significant contribution to my day-to-day income.

The Chair: Thank you.

You're sharing time with Mr. Boissonnault.

[*Translation*]

Mr. Randy Boissonnault (Edmonton Centre, Lib.): I would like to thank my very dear colleague.

I would like to thank the witnesses for their very interesting presentations.

Mr. Déziel, I have a question for you, and I will let you answer after I question Ms. Mulholland.

The question is very simple: as a group, if you had to choose three measures from the list of 29 measures proposed to improve the lives of artists, what would they be?

● (1200)

[*English*]

Miranda, I've heard you fiddling. I've seen you with Jim.

To all of the artists here today, you have to keep pushing. You have to use your voices. There's a natural tension in Parliament between the rights of the consumer and the rights of the artist to earn a living. Those are fundamental rights. Keep pushing. It's our job to be in your corner and to push.

You've given the four things. If you ranked them, how would you rank them?

[*Translation*]

Then I will come back to the gentlemen joining us by videoconference.

[*English*]

Ms. Miranda Mulholland: I would say they're all very important and as a package could make a huge difference.

The radio royalty exemption that was supposed to be temporary, that needs to go. The definition of "sound recording", for me, I would like that to go because that would change my life dramatically right away. Obviously, the private copying fund, again, that would help me. I haven't written "Summer of '69", unfortunately, so term extension would be my lesser ask but it's still extremely—

Mr. Randy Boissonnault: It's important.

Ms. Miranda Mulholland: —important to me. Those four as a package are very important.

Mr. Randy Boissonnault: Did you like Mr. Adams' suggestion of 25 years after assignation of the licence as opposed to after death?

Ms. Miranda Mulholland: I think what Bryan Adams being here signalled to creators was that it's great that he's listening and speaking up for us. That was really wonderful.

I think without a functioning marketplace, it doesn't matter how long we have any kinds of rights for.

Mr. Randy Boissonnault: Okay.

[*Translation*]

Mr. Bussières, I did the math based on your data. In Alberta, the minimum wage is $15 an hour. To get $2,400 a month, you would need 16,800,000 listenings of your song on Spotify and 9,500,000 a month on YouTube. It doesn't make sense, it's not fair. Things have to change.

What are your three priorities?

Some hon. members: Hear, hear!

Mr. David Bussières: That's very good. Thank you.

You're absolutely right.

As Mr. Nantel said, there are 29 points in the RAM platform. The three points I will address here today, and the most important, I think, are points 7, 8 and 9 in my brief.

Point 9 talks about extending the private copying regime. I think it may be the one that would be the easiest to implement in the short term.

Next, point 7 requests a modification of paragraph 2.4(1)(b), which provides that:

> a person whose only act in respect of the communication of a work or other subject-matter to the public consists of providing the means of telecommunication necessary for another person to so communicate the work or other subject-matter does not communicate that work or other subject-matter to the public;

This removes the responsibility of Internet service providers and ensures that they are not recognized as making a public communication and are therefore not subject to artists' remuneration laws.

Point 8 concerns Internet service providers who help to ensure the visibility of our culture on platforms for the Canadian public, so that more streaming content is generated, and our works receive more listens to generate more money and keep our creators alive.

Mr. Randy Boissonnault: Thank you, everyone.

[*English*]

The Chair: Thank you.

I would like to please just jump in for one quick question, because this is something that's just caught my attention.

M. Déziel has proposed a system where there would be a graded way of providing funds to artists based on how much they would allow it to be shared. With two artists here, I'm impinging a bit beyond our time here, but maybe in a couple of minutes, Ms. Mulholland and Monsieur Bussières, can you tell me what you think of this proposal?

Ms. Miranda Mulholland: I think one of the most disappointing things about the digital revolution, to me as an artist who started just as it began, was that we were promised a levelling of the playing field. We were promised artist to listener with no middlemen, or middlewomen, to be politically correct. But what has happened is that there has been a proliferation of middlemen in the past 20 years.

Grants are wonderful, and I feel so honoured to live in a country where there are grants. My problem with grants, though, is, then, who are the gatekeepers for these grants? What are the merits that we then look at to judge? We're just creating a whole other entity. So far we have the Ontario Arts Council, the Canada Council for the Arts, the Toronto Arts Council, one in each region. The granting body is trying to come up with a matrix and a rubric that will then give merit to some over others. What does that mean? That to me is a bit problematic.

● (1205)

The Chair: I'm sorry. I have to cut it because I'm impinging over time, but I just was curious to get your insight.

[*Translation*]

Mr. Bussières, do you have anything quick to add in 30 seconds?

Mr. David Bussières: Yes.

Mr. Déziel proposed that citizens could deliberately add $1 to their Internet access package so that the money goes directly to the artist. The political challenge is to ensure that Internet service providers contribute to improving the remuneration of artists, but that the bill is not passed on to consumers. Mr. Déziel's idea is very good.

I have a suggestion. Why doesn't the CRTC step in to set the maximum, the ceiling price, for monthly Internet access service to ensure that providers do not pass the bill on to consumers? For example, it could be a maximum of $70 per month. It seems to me that the CRTC could have the power to intervene in contracts so that the bill is not passed on to consumers.

The Chair: Okay, thank you.

[*English*]

Is it okay with the committee if I let Mr. Déziel answer that?

Some hon. members: Yes.

[*Translation*]

You have 30 seconds, please.

Mr. Guillaume Déziel: There was work done in May 2016 with the Copyright Forum in the Digital Age: Issues and Perspectives here in Quebec. This forum resulted from the recommendations of the Wise Persons' Committee. One of these recommendations was called the "anti-piracy insurance plan". Mainly, it would be a global licence that covers non-commercial uses, similar to Creative Commons licenses. The committee didn't put it that way, but that was the gist.

I invite you to read the Wise Persons' report from that forum.

The Chair: If you send us the link, we'll be able to read it.

[*English*]

Thank you to all of the witnesses. That was very interesting.

We are going to have to suspend now because we are moving in camera.

Thank you.

[*Proceedings continue in camera*]

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